
Conceptual Marks Concerning the Strategies Based on Knowledge and the Contemporary Period

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Abstract:

In this work I propose myself to tackle some aspects related to the strategies based on knowledge as a response to the deep changes which happen in economy, firms and in the management based on knowledge. The strategies based on knowledge emphasize the shape of a new type of knowledge meaning strategic knowledge which is essential for the development of a firm, consisting in combinations of operational knowledge of orientation, of explanation and of guidance. I also tackled the typology of specific strategies based on knowledge which, depending on the level they are placed at, the concerned objectives delimit three categories of strategies: the strategy grounded on vision, the strategy based on professionals, the strategy for emergent situations. I showed that the strategies of codification and the strategies of personalization at the firms' level are also very important.

Generally, the characteristics of a strategy based on knowledge and first of all the concentration on the knowledge and on the foreseeable objectives should be visible for all the stakeholders of a firm.

Keywords: strategy, management, knowledge, development, objectives, competitively

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1. Pre-requisites and Definitive Features of the Firms' Strategies Based on Knowledge

The deep changes which happen in economy, in firms and the management based on knowledge, are naturally reflected in new approaches of an organization's strategy. There is outlined – as Smith Zack demonstrated very convincingly – the so-called strategy based on knowledge which has as foundation two new elements which cannot be found in the classic strategies:

- the knowledge becomes the most important strategic resource of a firm;
- learning becomes the most important capacity of a firm.

Moreover, in our opinion, there are frequently two other essential elements which can be added to the former ones:

- the firm finalizes its activities in products-knowledge and/or services-knowledge;
- the realization of innovation becomes critical for the organization, conditioning not only its performances but, sometimes, even its existence.

The strategies based on knowledge, no matter their type, distinguish themselves from the strategies of a classic firm through the following essential elements:

- the inclusion in each and every component of the strategy – mission, objectives, options, resources, terms and competitive advantage – of knowledge as an essential ingredient; the objectives of a strategy should refer to the use and capitalization of knowledge;
- the situation in the close-up of strategy's elements, near to the knowledge, of human resources as main owners and users;
- the absolute and relative growth of modern means of treating the information and communicational techniques in the assembly of resources dimensioned by strategy;
- the inclusion within the strategy, moreover the well-known endogenous elements, of numerous external elements, in the vision of a value based on extended knowledge and of the involvement of the main stakeholders of the organization;
- the manifestation of a flexibility of strategy, both in the process of elaboration and especially of action; the use on a wide scale of the gliding strategic approach, which consists in periodic actualization, annually, of its components;

- the proliferation on wide scale of creative elements within all the components of strategies, offering them a marked innovational dimension, no matter their type;
- the manifestation of a marked participative dimension in the processes of substantiation, elaboration and implementation of strategy, which assures the involvement of a quasi-totality of employees based on knowledge from firm and of its other stakeholders;
- the recording of an intense motivational content to the strategic processes of elaboration and implementation, using specific modalities, proper to the decisive role of the specialists based on knowledge within the organization;
- the diminution of the formalization grade is due to the intangibility of a part of knowledge and of their fluidity.

The examination of the content of characteristics identified by us, distinguish that the greatest part of them refer undoubtedly to the human factor. This finding is congruent with the results of an investigation done by the English consulting firm, Prodata, over a pattern of European firms from the sectors with high technologies, due to which the best practices of management based on knowledge is grounded on the recognition of the fact that the people and the processes they are involved in are placed before the technologies.

According to the Nippon specialists, Nomura and Ogiwara, the characteristics of strategy – and first of all the concentration on knowledge and on foreseeable objectives – should be visible for all the stakeholders of a firm.

This is the condition for realizing them and for operating entirely and with performance the strategy.

Of course, the presented elements do not use up the whole range of specificities of firms' strategies based on knowledge, but, more than sure, they have the most relevant ones, with multiple significances and impacts to consider.

1. Strategic Knowledge

In the assembly of strategic processes of a firm based on knowledge, not all the knowledge has the same role and impact. Analyzing the realities from the most advanced and of performance firm based on knowledge a new

type of knowledge is outlined – strategic knowledge. These are essential for the development of a firm and consist – as the specialist A. Grunwald says – of combinations of knowledge of orientation, knowledge of explanation and operational knowledge of guidance.

The development of this new type of knowledge represents a new type of provocation for the managerial theory and practice.

According to our analysis, the strategic knowledge presents an assembly of specific traits over which we consider necessary the following:

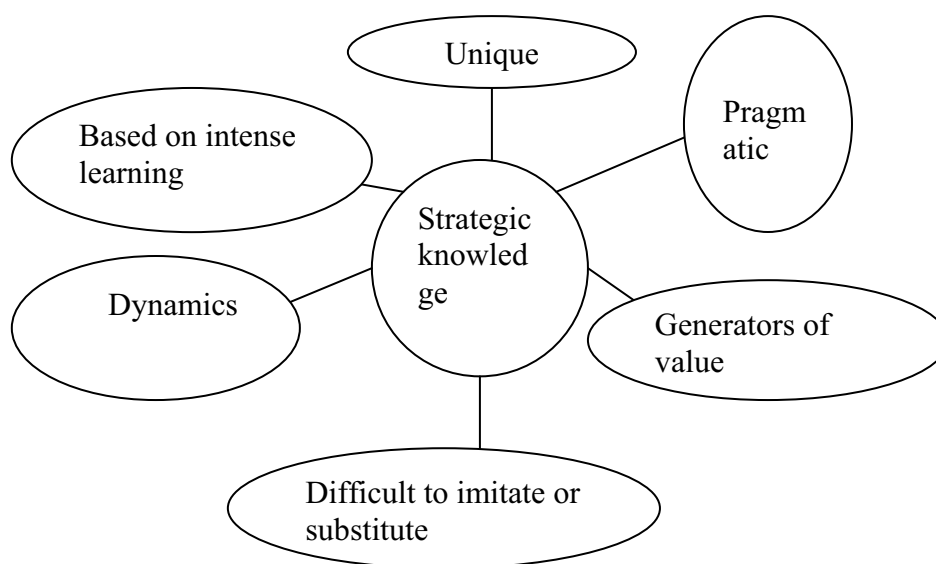


Figure no. 1. The definitive features of strategic knowledge

- **unique**, in the acceptance that either they are not to be found in other firms or they are owned in a similar shape, only in a small number by other organizations. The rare the strategic knowledge are, the more they present an ample strategic advantage for the organization;
- **pragmatic or for exploitation**, meaning that new products or services can be generated within the firm, or the existent ones can be improved innovational and significantly. This feature reaches the top when the knowledge itself becomes a product, being commercialized on the market;

- **generators of value**, it means that using them is created a value-added to the firm, a value which is recognized on the market. The strategic knowledge is always part of the organization's value vector.
- **difficult to imitate and/or substitute with other knowledge**, this feature assures the firm's profitability on medium-term and on long-term. The more important the tacit and strong innovative knowledge is, the more intense this characteristic of knowledge is and the more pregnant their strategic nature is;
- **dynamics**, it means that these can be actualized and modified accordingly to the changes from the endogenous and exogenous
- environment of the organization, especially to the market requests. The dynamism refers both to the content of knowledge and to their form and modalities of manifestation;
- based on intense processes of learning, their continual action is conditioned decisively for keeping the other features of strategic knowledge. The intense processes of learning, although difficult and consumers of resources constitute the best protection for maintaining and amplifying the strategic character of knowledge.

In these conditions, the content, the conception and implementation of strategy modifies radically, being outlined the strategies based on knowledge.

2. Specific Strategies Based on Knowledge

Up to the present there have been outlined few specific strategies based on knowledge, the majority of firms based on knowledge using the well-known types of strategies, with certain adaptations, to which we referred previously. From this point of view, there are illustrating results of a research done in six European countries – Great Britain, France, Italy, Germany, Sweden and Switzerland – to which 1004 managers and directors have answered, this fact pointing out that only a few firms use specific strategies based on knowledge, although 87% of them consider that these would lead to a growth of enterprises' competitiveness where they work.

The first typology of specific strategies based on knowledge belongs to the Japanese specialists we have already mentioned, Takohiko Nemura and Naoki Ogiwara, who, considering the levels to which the concerned objectives are placed, delimit three categories of strategies.

The strategy grounded on vision has as content to solve the problems by connecting the knowledge to a great number of people.

As there is no way to anticipate what knowledge would be necessary in the future, the elaboration of a clear vision through which the development is conducted, a vision which is brought to the involved staff's attention, represents the main driving force of development.

Such a strategy is applied to Toyota Motor firms, British Petrol, Northrop Group. The definitive elements of this strategy are presented in Figure no. 2.

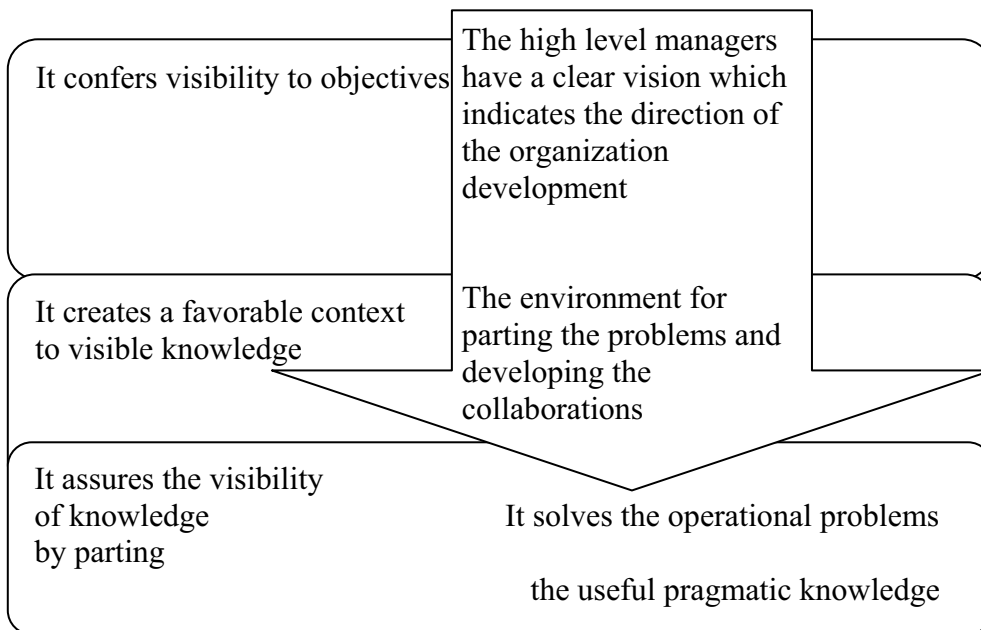


Figure no. 2. The strategy grounded on vision

The strategy based on professionals has as main content the development of the specialists' capacities, the competitiveness of the firm amplifying itself on their base. In contrast with the preceding type of strategy, this one is based on tacit thorough knowledge, which is improved by elaborating methodologies, technologies and/or consultancy. A specific element which manifests within this technology is represented by the knowledge brokers. Its main characteristics are presented in Figure no. 3.

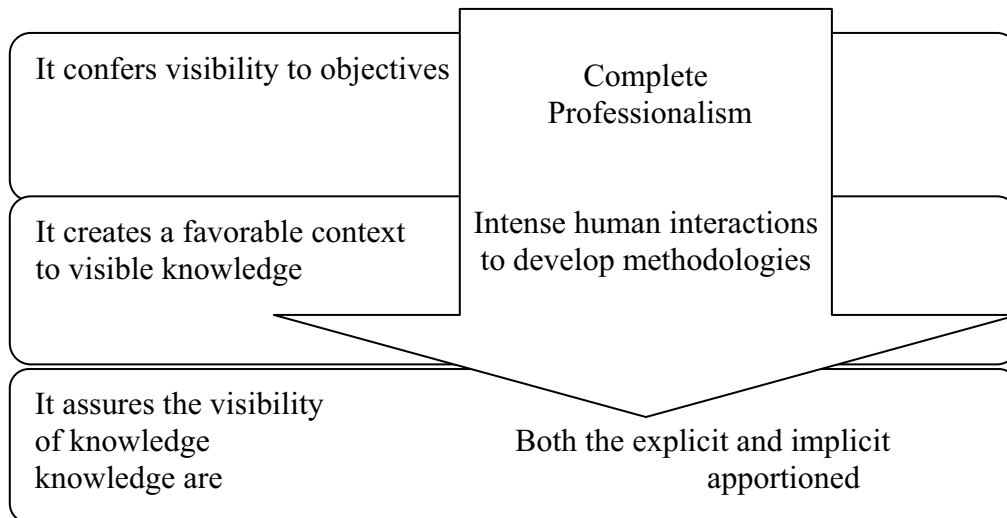
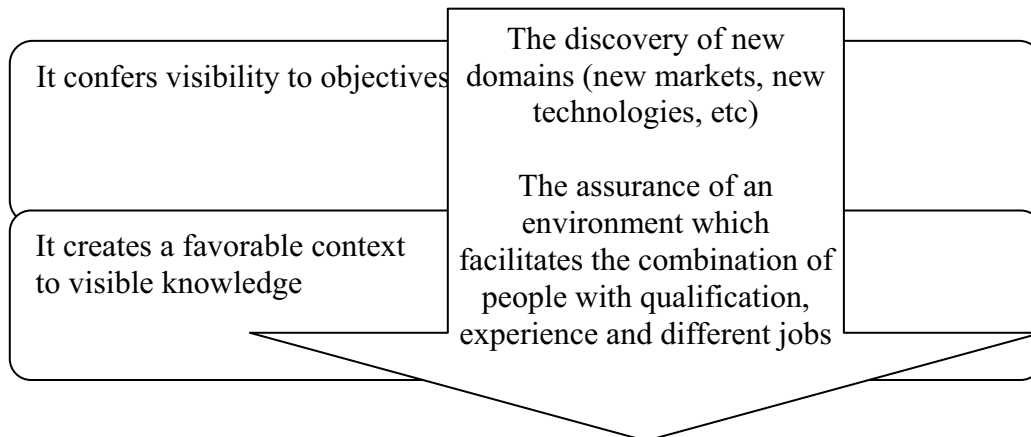


Figure no. 3. The strategy based on professionals

This type of strategy is frequently used in firms which provide professional services, consultancy etc. Such a strategy is practiced at Price Waterhouse Coopers, World Bank etc.

Strategies for emergent situations – the focus over innovation are a characteristic of these, using intensively the knowledge of clients and employees. The premise on which this strategy is based consists in the understanding that the major sources of innovations are represented by the people's combinations who work in different domains. The main role of the high level managers consists in making the employees sensitive over the importance of tasks and activities which are not current and in facilitating the contacts and the collaborations among the people who work within the firm or outside it. The essence of this strategy is presented in Figure no. 4.



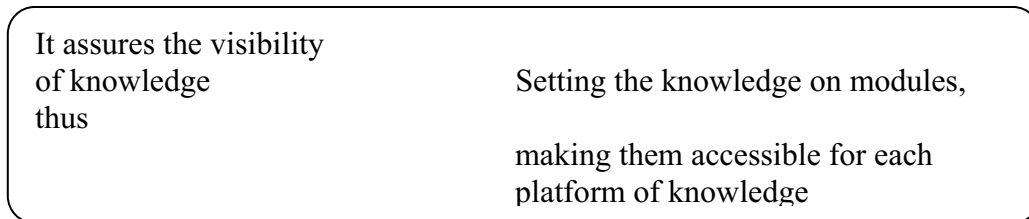


Figure no. 4. The strategy for emergent situations

Among the firms who use this type of strategies we can mention the multinationals 3M and Kao.

Another approach of the strategies based on knowledge, sensitively different, can be seen at Professors Hansen, Nohria and Tierney, who, based on the analyses, have delimited two types of strategies:

- **codification strategy** through which the particular codification of knowledge is promoted and the incorporation (store keeping) in data bases where it can be accessed by any employee of the organization. This type of strategy refers to the explicit knowledge and is characterized through massive investments in informational techniques, with an accent on the employment of the valuable graduates of faculty, on the staff's training in group and through electronic education at distance, the employees' remuneration for their contribution at the establishment of the data bases and their use;
- **personalization strategy** refers to the promotion of the knowledge owned by employees who, by direct contacts among them, is developed and shared or apportioned. This strategy is obvious to take into consideration the tacit knowledge, whose specificity and importance have been presented previously. Characteristic for this strategy are the moderate investments in informational techniques, the focus over the change of tacit knowledge and its debate, the employment and use of faculty graduates at MBA level, who like solving the problems and can tolerate the ambiguity, the staff's training individually, the accent on employees' remuneration who share their knowledge through direct contacts with other employees.

In the firm based on knowledge, these two strategies can be used one by one or together. To obtain superior performance, it is recommended to use

them in the same time or separately in function of the structure of the employees based on knowledge, of the weight and level of explicit knowledge and respectively tacit within the organization.

3. Methodological Elements to Realize a Strategy

Referring to the projection of the strategy based on knowledge an essential explanation must be done; this is still in an incipient degree.

An important methodological mark refers to the strong integration of strategic knowledge with the essence of firm's business, with its products and services, having a strategic advantage and on which, actually, its development and performances are based on. This important connection with an axiom value results from Figure no. 5.

In elaborating the strategy based on knowledge the consecrated modern methodologies can be used, whose main components are presented in Figure no. 6, because the general logic does not modify.

With all these, there are some processes, fazes or new correlations which, if they are not present the conception and the implementation of an efficient strategy of knowledge are not possible, and these are:

- the cognition and the grounding of the strategy on the knowledge accumulated in the organization;

- the determination of the knowledge necessary for the grounding and operation of the strategic options;

The vectors of the strategy based on knowledge

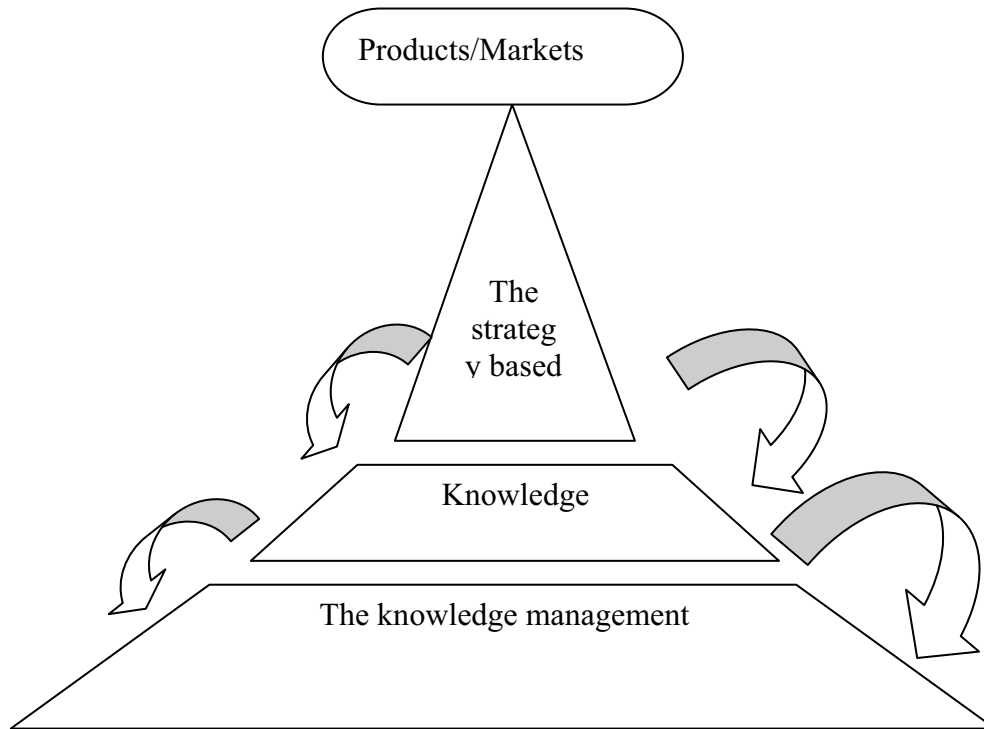


Figure no. 5. The strategy based on knowledge

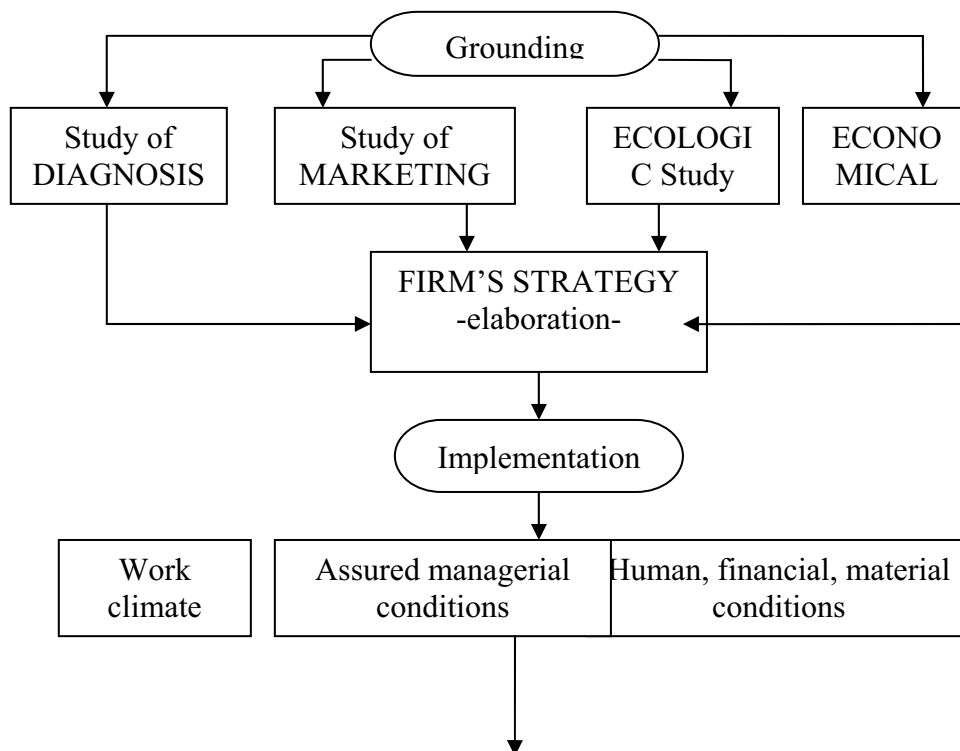
- the identification of knowledge “gaps” of competitors, both internal and external;
- the establishment of the modalities for obtaining the strategic knowledge;
- the integration of the new strategic knowledge in the assembly of the strategic process, inclusively through intense learning processes, with the permanent preoccupation of generating added value in the firm;
- the managerial re-design of the firm, which is able to implement the strategy in the conditions of focusing over putting forward the processes of treating the knowledge.

In Figure no. 5, made by Smith Zack, the elements for elaborating the strategy based on knowledge are differently approached, with an accent on filling the gaps of strategic knowledge.

The realization of a strategy based on knowledge requires, as professor Leonard from Harvard underlined, a special attention to a set of five factors, in the context of the firm based on knowledge.

Another specific element which interferes in the elaboration of the strategies based on knowledge is represented by the identification and integration of the strategic knowledge within the firm. The specialist Charles Seeley proposes a procedure which contains the following fazes:

- the establishment of the elements which represents strategic importance for the firm;
- the identification of the owners of these elements and their localization;



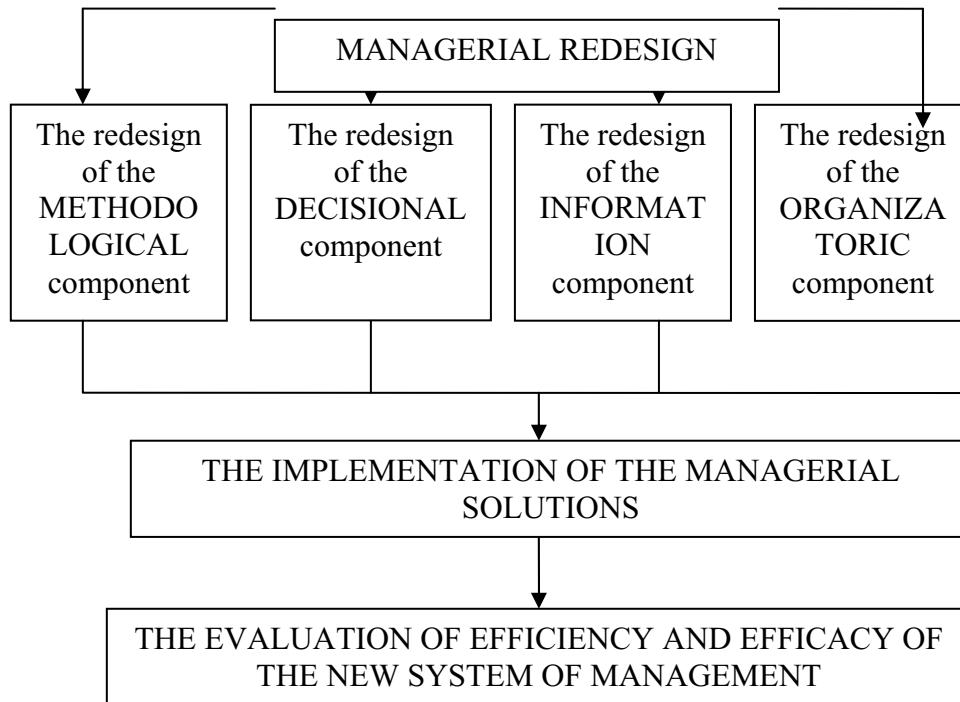


Figure no. 6. The methodology of strategy elaboration

The identification of the strategic knowledge “gaps”

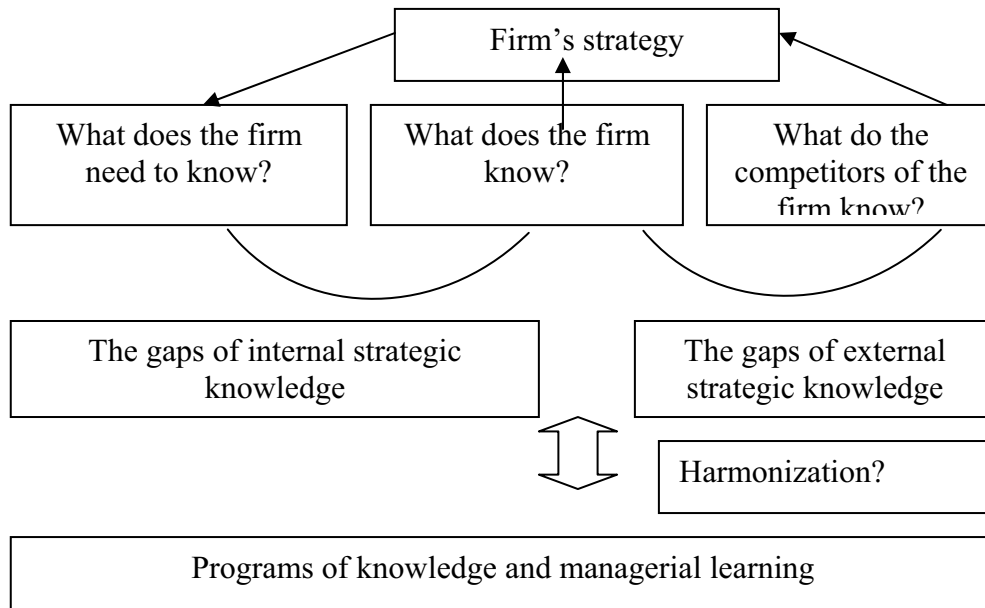


Figure no. 7. The gaps of strategic knowledge

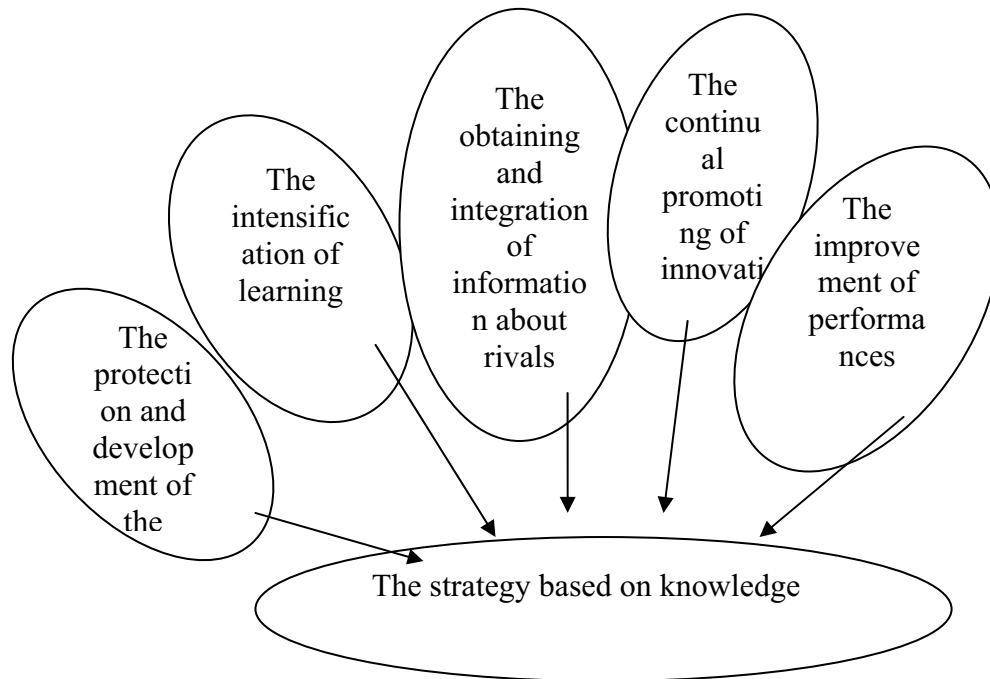


Figure no. 8. The anterior factors in elaboration and implementation of the strategies based on knowledge

- the determination of the knowledge which, although it is supportive for the major activities of the firm, it is not essential for the assurance of firm's competitiveness;
- the identification of the morally used or peripheral knowledge as importance for our firm, the evaluation of the value's utility for other firms and stakeholders, the evaluation of the possibilities capitalization through sale, mixed societies etc.

In the projection and operation of strategies, a great importance must be given to the assurance of an ethical behavior. The consultant Sue Brelade recommends the grounding of decisions and actions on three ethical principles:

- the reciprocity principle, which signifies the development of benefits, advantages to all the parts involved in the transfer processes of knowledge;

- the usage principle, which maximizes the use of existent knowledge, preventing the frustration of the specialists based on knowledge;
- the recognition principle or the remuneration principle of the parts involved in the processes of treating the knowledge in function of each and every contribution, leading to the transformation of a part in co-owner of the firm.

The resources allocations, the investments anticipated through the strategies based on knowledge is necessary to be directed at the same time to the tacit and explicit knowledge, to the organizational processes, to technical means and technologies. This thing results from the information shown in the next figure:

THE DESTINATION OF INVESTMENTS

Organization	Technical means and technologies
Capacities -Training and development -Managerial processes -Measurements and protection	Exploitation -Repertoires and instruments -Soft families -Systems based on knowledge
Connection -Space for meetings -Events -Communities	Connectivity -Video conferences -Intranet

Explicit

Tacit

Figure no. 9. Destinations of resources allocated for the investments through strategies

4. Conclusions

Each and every enterprise, because of the oneness in its assembly, of the specificity of the strategic knowledge it possesses or needs, must conceive and implement specific managerial solutions based on personal knowledge. Hereby, it takes into consideration the real existent necessities in the firm and in its context and puts good use on the potential it has, including the gathered knowledge in the given conditions.

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